



14 January 2020

House Ways & Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

Sent via Electronic Submission:

Re: AOPA Support for H.16

Honorable Madam Chair Delegate Kaiser and esteemed members of the House Ways & Means Committee.

My name is Sean Collins and I am the Eastern Regional Manager for the Aircraft Owners & Pilots Association (AOPA). We are the world's largest aviation membership organization representing the general aviation interests of 330,000 aircraft owners and pilots across the country, including more than 5,000 of our members in the state of Maryland. On behalf of these members, **AOPA supports House Bill 16.**

General Aviation is a mobile industry. While convenience is a chief concern, expense is the principal motive—even if it means leaving or skipping over Maryland to save money in neighboring states. For this reason, competition at airports across state lines is fierce. The opportunity for a state to increase its competitive edge over its neighbor-states is limited, making the necessity to keep-pace, vital. To remain competitive in a region filled with aviation-friendly states, Maryland needs a targeted exemption on the sales of aircraft parts and components.

The cost of aircraft parts is typically uniform across a region. The primary difference in cost to the consumer is a combination of tax and convenience. Given that the cost of typical aircraft maintenance can range anywhere from \$500 to \$500,000 and up, depending on the type of service rendered, the difference of taxes can be significant. As a result of the opportunity for savings, aircraft owner/operators often acquire these services out of state. As Maryland's aviation businesses lose out, so to do their host airports—many of which are municipally owned. In fact, of the 13 northeastern most states from Maine to the Virginias, only Maryland and Delaware tax aircraft parts, however, Delaware's sales tax is less than 1%.

Therefore, to keep pace with the competitive advances of neighboring states, eliminate a competitive disadvantage to local aviation businesses and to take advantage of the growing demand for business aviation, **AOPA supports House Bill 16.**

Sincerely,

Sean M. Collins, AOPA
Eastern Region Manager